

D R A F T

19 June 1957

AIDE MEMOIRE -- Memorandum by the Assistant to the Secretary of Defense (Special Operations)

1. General Erskine's memorandum, "National Policy on Counter-intelligence and Establishment of a Committee to Implement Such a Policy", dated 7 June 1957, is a restatement of the major themes which have been replayed off and on since early 1951. Throughout the many discussions which have taken place, the two assumptions underlying the proposal have been (1) that there is no national policy regarding counter-intelligence abroad; and (2) that there is a need for another organ independent of the ones already provided by the National Security Act of 1947 and the National Security Council -- the Director of Central Intelligence and the Intelligence Advisory Committee -- to coordinate counter-intelligence abroad. Neither of these assumptions has any warrant in fact.

2. The theories and comments which have been used in the JIC arguments have shifted from time to time. However, the permanent theme for seven years has been the steadfast determination to increase the stature of the service element in counter-intelligence from a departmental level to the national level. In all the discussions the role of the Director of Central Intelligence has been systematically minimized or even ignored. General Erskine's letter is ambiguous and does not clarify whether the previous uncompromising stand for the creation of a super committee for

the coordination of counterintelligence policy has been abandoned. Note does General Erskine's memorandum respond to the DCI's comment regarding the capability of the IAC to perform this function.

3. The DCI throughout the current discussions has reiterated:

- (a) there is a national policy for the coordination of counter-intelligence;
- and (b) there is no need for an additional committee for counter-intelligence coordination if the existing instruments -- the Director of Central Intelligence and the Intelligence Advisory Committee -- are utilized by all of the agencies concerned.

4. NSCID No. 5, Paragraph 2, dated from 12 December 1947, stipulates that the Director of Central Intelligence has the responsibility for conducting all organized counterespionage abroad. The various military components and the representatives of Federal departments are not thereby precluded from carrying out departmental counter-intelligence activities and activities agreed upon pertaining thereto, affecting the security of their installations and commands. Thus NSCID No. 5 provides the foundation for a national counter-intelligence policy abroad. Protective security activity (the security of installations, personnel and operations) may develop into an aggressive activity which we know as counterespionage. When this occurs, under DCID 5/1, such activity will be coordinated between the Director of Central Intelligence's representative and the commands concerned, or under certain circumstances, between the Director of Central Intelligence and the service chief concerned.

5. This approach respects the specialized interests of each department in counter-intelligence and simultaneously lodges responsibility in the Director of Central Intelligence for the coordination of those areas which embrace more than purely departmental interests. This system has been effective. It has been inspected minutely and searchingly since 1953. The Task Force on Intelligence Activities headed by General Mark W. Clark in its report noted the differences which prevail in the coordination of U. S. domestic and foreign counter-intelligence. The Clark Committee's conclusions were: "The overall organization of the counter-intelligence effort in the intelligence community is sound and no unnecessary overlap or duplication was found."

6. If indeed the problem has been generated by the wording of NSCID No. 5, Paragraph 2, we are in agreement with General Erskine that appropriate changes should be made. Accordingly a proposed revision has been submitted (see attachment) which should clarify any ambiguity in the concepts and inter-relationship of national and departmental counter-intelligence. In accordance with the spirit of the National Security Act of 1947, the proposed revision sharpens the distinction between national and departmental counter-intelligence and lodges responsibility for the former in CIA.

7. Specific comments keyed to the paragraphs of General Erskine's memorandum follow:

Paragraph No. 1 This paragraph contains two points with concern

all members of the intelligence community. First, there is a general misunderstanding or misrepresentation of the views of the Director of the Federal Bureau of Investigation. In his reply the Chairman of the Inter-departmental Intelligence Conference, according to General Erskine, "... considered that an important problem does exist in counter-intelligence policy overseas which makes the establishment of a high-level counter-intelligence committee highly desirable." Actually, Mr. Hayes himself is very clear in the final paragraph of his reply that he separated himself from the statement, which he attributed to "the military members of the JIC."

8. It would appear that General Erskine's reply has again raised the question of the whole U.S. counter-intelligence effort, including the domestic aspects. The Secretary of Defense's proposal of 25 April specifically excluded the domestic U.S. counter-intelligence area from the competence of the proposed committee. General Erskine's letter of 7 June however refers specifically to the "counter-intelligence assets of all U.S. agencies possessing a counter-intelligence potential," (underlining in original). This would appear to be a return to the position in 1952-1953 taken by the JIC which insisted upon the inclusion of the FBI in the proposed counter-intelligence committee. [redacted] In reply to comments made STAT

by the Department of State, CIA, ADC, and the FBI, it was agreed

"To eliminate from consideration the United States, her territories and possessions, would be unrealistic and might have disastrous consequences"

..... The ad hoc committee attempted to reduce the scope of the problem by deleting references to the U.S. and her policy. However, the service members concluded that the approach would not provide a basis for fulfilling the requests placed on the [redacted]

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[redacted] by the field and by foreign agencies."

CIA in all of the discussions since 1951 has made no objections to the exclusion of the domestic area of jurisdiction from the purview of a proposed committee to coordinate national counter-intelligence abroad. It should be noted, however, that this distinction is entirely artificial; because counter-intelligence knows no frontiers and CIA has effective machinery which works closely with the FBI on a day-to-day basis. This liaison recognizes that the FBI's exclusive responsibility for domestic counter-intelligence and counterespionage has numerous ramifications abroad which require coordination with other members of the intelligence community. Therefore, any committee to coordinate policy in counter-intelligence could do its work effectively without comprising the FBI.

Paragraphs 2, 3 and 4. These paragraphs are concerned with definition. The definition proposed by General Erskine, which repeats the statement in the Secretary of Defense's letter, is not broad enough for the purposes of national counter-intelligence. CIA is invested with statutory responsibilities for national counter-intelligence, which are co-equal and coordinate with its responsibilities for espionage and psychological and paramilitary activities. Any definition to be accepted must recognize this fact. The

Following is a definition which attempts to approach this problem in the terms: "Counter-intelligence is activity undertaken to protect the security of the nation, its people, its instruments against espionage, counterespionage, sabotage and/or subversion. It is activity undertaken to procure information concerning espionage, counterespionage, sabotage, or subversion and to manipulate, penetrate, or represent persons, groups, or organizations conducting or capable of conducting such acts. Counter-intelligence is evaluated, analyzed, integrated and/or interpreted information resulting from these activities".

General Erskine's memorandum repeats another theme which has been developed in the discussions during the past seven years: "the single agency of the government has exclusive responsibility for protecting all of the interests of the U.S. by means of counter-intelligence measures". This statement is correct, but it does not signify an organizational defect. It does not mean that there is no counter-intelligence coordination or that guidance should be provided to the agencies concerned, including the Department of Defense, by the existing instruments of coordination at the DCI and the JAM, where the services enjoy substantial membership.

General Erskine's observation regarding the Director of Central Intelligence's reference to counter-intelligence and counterespionage is inappropriate. The reference in the Director of Central Intelligence's memorandum to counter-intelligence or counterespionage as segments of intelligence operations was obviously not intended to be a definition.

sabotage, as well as counterespionage.

Paragraphs 5, 6 and 7. In these paragraphs General Kruskal states that no overall directive has been issued by anyone which provides guidance to the various U.S. agencies in the conduct of various counter-intelligence operations, and no mechanism exists to carry out coordination in this field. General Kruskal lists twelve Federal departments, agencies and commissions which he affirms are now carrying out counter-intelligence operations without overall coordination. General Kruskal's list is not comprehensive. It weights operating agencies and departments equally with coordinating bodies and therefore does not distinguish among the various members of the intelligence community according to their respective contributions to national counter-intelligence. Also, it should be noted that among the agencies cited by General Kruskal is the FBI, and in his discretion, he does not distinguish between counter-intelligence within the U.S. and counter-intelligence abroad.

Can it be stated that the absence of "an overall directive" is attributable to a failure in the discharge of executive responsibility? This is dubious doctrine. It can be safely stated that all the agencies concerned in counter-intelligence already coordinate or attempt to coordinate to the degree required by their problems. This is the essence in a community, which operates by coordination rather than subordination. There are numerous, almost daily, examples of this in the cables from major command posts in Tokyo, Honolulu and Frankfurt. **General Kruskal and**

which other support his views would be on stronger ground if
any current problem or issue which is uncoordinated or
receiving coordination because of the present organization or procedures
of the Federal intelligence community.

Paragraph 8. In this paragraph General Erskine takes up a number
of examples concerning which it is affirmed that the Defense Department,
is carrying out its NATO role, has been unable to express a U.S. policy
regarding counter-intelligence responsibilities. For the purposes of this
paper it is not desired to comment on General Erskine's assertion that the
Defense Department is "the U.S. national authority on NATO relationships",
however, it seems doubtful that this statement can stand without qualification.
General Erskine states, further, that the failure to solve the problem
impedes "economic planning and overall security", but no evidence is cited
to document this claim.

General Erskine puts in evidence five specific examples. In a number
of instances, they are old situations, long since satisfactorily resolved
through the existing machinery of coordination. In point of fact, therefore,
these examples argue to the contrary of the conclusion which General
Erskine is attempting to document.

For example, the security situation in Iceland in 1951 is cited in
detail. CIA holds an extensive file of the discussions which took place on this
matter. The Iceland case was cited in JICM-12-53 of 7 January 1953
in largely the same terms stated by General Erskine. A memo from
dated 21 October 1953 addressed by CIA to the Chairman of the JICM

it plain that normal practices keyed to the area and the problem would have been sufficient to cope with the situation in Iceland if the Department of Defense had not refused "to permit the establishment of operational relationships in this local area prior to the creation of a national counter-intelligence policy."

Another example which is cited by General Erskine deals with policy regarding clandestine listening devices. As in the Iceland episode, the Department of Defense in its handling of the hostile audio surveillance problem attempted during the initial phase of coordination to use the problem for the purpose of establishing an overall Federal counter-intelligence committee. This was opposed by CIA and other participants and a special committee of the National Security Council dealing exclusively with hostile audio surveillance and counter measures has been formed. The committee is carrying out effective coordination within its stated terms of reference. The complaint voiced by General Erskine regarding its work has not been heard--as far as CIA knows--within the committee itself.

General Erskine refers to various counter-intelligence "problems" now emerging from the SEATO organization which it is expected will be manifested in MEDO. It is not indicated what these problems are, and therefore it is impossible to discuss them on their merit. Here, as at other points in the discussion, General Erskine's presentation is notably lacking in documentation.

The two remaining examples cited by General Erskine are in effect related aspects of the role of counter-intelligence in war planning:

Europe and other overseas theaters. On these two counts no effective planning cannot take place as long as the JIC continues to procrastinate in its failure to reply to the Director of Central Intelligence's two 1955 memoranda setting forth his plan for the clandestine services counter-intelligence mission in wartime.* Actually, it is the [redacted]

as a coordinate element in counter-intelligence war planning which is at the heart of the problem, and therefore it is the [redacted] which holds the key to a solution.

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Viewed in this light, both of the counter-intelligence war planning problems cited by General Erskine are departmental rather than national in scope and are easily resolvable by existing machinery.

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* "Availability of War Plans to the Alternative Joint Command and its Center", 25 June 1955; and "Review of Unconventional Warfare Requirements", 29 October 1955.

5. The Central Intelligence Agency shall conduct all national counter-intelligence (including counterespionage, countersabotage and counter-subversion) operations and activities outside the United States and its possessions, except for the agreed departmental, protective counter-intelligence activities of any Army, Navy or Air Force Command or installation, or of other Departments and Agencies necessary for the security of their classified information, equipment, installations, or personnel. The Central Intelligence Agency shall be responsible for maintaining the central indices and records of foreign counter-intelligence information. It shall be the obligation of the Departments and Agencies to assist the Central Intelligence Agency in the execution of this responsibility by contributing to the central file, on a continuing basis, all material pertaining to national counter-intelligence.